



**SUMMARIZED MINUTES  
SCOTTSDALE CITY COUNCIL  
BUDGET SUBCOMMITTEE**

Public Meeting  
Tuesday, February 14, 2006  
One Civic Center, Financial Services Conference Room  
7447 E Indian School Road  
Scottsdale AZ 85251

**CALL TO ORDER**

The Budget Subcommittee meeting was called to order on Tuesday, February 14, 2006 at 2:10 P.M.

**ROLL CALL**

Subcommittee: Councilman Robert Littlefield, Chairman  
Councilmember Betty Drake  
Councilman Ron McCullagh

Staff: Neal Shearer, Roger Klingler, Craig Clifford, Debra Baird, Art Rullo,  
Bill Murphy, Brent Stockwell

Also Present: Councilman Wayne Ecton

**APPROVAL OF MINUTES FROM FEBRUARY 2, 2006 MEETING**

Councilmember Drake moved for approval of the February 2, 2006 meeting minutes.  
Councilman McCullagh seconded the motion which carried 3-0.

**GENERAL BUSINESS**

1. **FY 2006/07 Budget Development.** Staff updates and subcommittee discussion regarding issues related to the development of the proposed FY 2006/07 Budget and Capital Improvement Plan.

Mr. Rullo reviewed the major revenue sources and assumptions for the FY 2006/07 General Fund:

- \$121.3M Privilege Tax (separate document distributed by Mr. Clifford indicating how much of this tax is attributed to tourism or people from outside the city)
- \$41.0M State Shared Revenues (about a \$2M reduction from the current fiscal year collections as a result of the mid-decade census)
- \$19.8M Property Tax
- \$17.0M Development Fees (projected at \$19M for current fiscal year)
- \$6.0M Photo Enforcement on Loop 101
- \$1.9M Bed Tax

**Council Budget Subcommittee Meeting Minutes**  
**February 14, 2006**  
**Page 2 of 3**

Staff will follow up on a question regarding estimated permit fees for construction of a new home valued at \$500,000.

Major cost drivers for FY 2006/07 include:

- \$1.5M increase in Fleet rates due to fuel costs
- \$1.5M increase in Risk rates driven by claims experience, overall increases in the insurance market as a result of Hurricane Katrina, and increases in excess insurance costs
- \$3.5M increase in Utilities
- Dept Contractual Services
- Capital Project Operating Impacts
- Health Care and Retirement costs (to be discussed at a later meeting)

FY 2006/07 Capital Project Operating Impacts were reviewed. Affecting the General Fund, 14.86 new full time employees (FTEs) are proposed. From the Enterprise Fund, 5 FTEs are proposed, and from the Internal Service Fund, 4 FTEs.

Discussions were held regarding the following FY 2006/07 Capital Projects:

- \$4.9M budgeted for Grayhawk Community Park – Phase I (Bond 2000)
- \$8.6M Arabian Library – Phase II (Bond 2000)
- \$5.8M Downtown Fire Station #602 (General Fund)
- \$6.4M Helicopter Air Support Unit (Bond 2000)
- \$2.5M McDowell Road Bicycle & Pedestrian Improvements (Bond 2000)
- \$3.9M Granite Reef Watershed (Bond 2000)
- \$20.0M ASU/Scottsdale Center for New Technology & Innovation (General Fund)
- \$4.1M WestWorld Site (General Fund)
- \$2.0M WestWorld Tent Improvements (General Fund)
- \$2.2M Gateway to the Preserve Amenities (Preserve Sales Tax)

It was noted that if the Helicopter Air Support Unit is funded in the 2006/07 CIP, there would not be operating impacts until 2007/08. Mr. Rullo noted the current estimated FY 2007/08 operating impact on the General Fund would be approximately \$400,000 as staff are phased in and \$1.3M in FY 2008/09 for the first full year of operations. Staff were asked to follow-up to see if the Fire Department would also be utilizing this helicopter, and if so, to take their needs into consideration in selecting helicopter models.

Information on two citizen-initiated issues was presented to the Subcommittee for discussion:

- A request to increase the level of City maintenance on school ballfield facilities would cost approximately \$650,000 the first year and \$460,000 the second year. After discussion, the Subcommittee suggested that the Youth Task Force be reconvened for their input on this proposal and other youth sports issues. Concern was expressed about expanding the use of City resources for maintenance of school district grounds and facilities.
- A request to purchase the former Villa Monterey Golf Course site for use as a passive park or golf course would range from \$4,384,000 (passive park) to \$5,786,000 (golf course). The Subcommittee will await advice from legal staff regarding deed restrictions on this property before making a recommendation. Staff will also follow up on property maintenance questions and schedule this item for further discussion at an upcoming meeting.

**Council Budget Subcommittee Meeting Minutes**  
**February 14, 2006**  
**Page 3 of 3**

**PUBLIC COMMENTS:** - None

The next meeting of the Budget Subcommittee scheduled for Thursday, February 16, 2006 has been postponed to a date to be determined.

**ADJOURNMENT** - With no further business to discuss, the meeting adjourned at 4:06 PM.

**SUBMITTED BY:**

A handwritten signature in cursive script that reads "Sandra K. Dragman".

**Sandy Dragman**  
**Recording Secretary**

**Officially approved by the Budget Subcommittee on \_\_\_\_\_**